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TOM LYTHGOE, CHAIR

DAVE KIRSCH

LEONARD WORTMAN

**PROCEEDING OF THE BOARD OF COMMISSIONERS
COUNTY OF JEFFERSON, STATE OF MONTANA
April 13, 2010**

Present: Commissioners Lythgoe, Kirsch and Wortman; Harold Stepper, County Planner; Bonnie Ramey, Clerk and Recorder; Tom Harrington, JLDC; Melissa Morris, GIS Mapping Tech; Jan Anderson, *Boulder Monitor/Jefferson County Courier*; Barbara Sunderland, Bob Marks, Molly Molitor, Bud Siderits

REPORTS

Commissioner Lythgoe noted the receipt of the March expense and revenue reports from the Clerk and Recorder's office.

Commissioner Lythgoe noted the receipt of the March Treasurer's report.

CORRESPONDENCE

Commissioner Lythgoe noted the receipt of a task order from Great West Engineering to be signed. The task order is for the continued monitoring of the Boulder River Road restoration project that took place in Bernice.

Commissioner Lythgoe noted the receipt of weed sprayer contracts that need to be signed. The contracts were signed and will be returned to the Weed Department.

CALENDAR REVIEW

- 4/13 Mosquito Board - 7:00
DUI Task Force - 7:00
- 4/14 Meeting regarding dike - Whitehall - 10:00
Boyd Andrew governing board - Helena - noon
Planning Board - 7:00
- 4/15 Montana Tunnels - 9:00
ICS training - 1:00
RMDC - Helena - 3:00
Library Board - Clancy - 6:30

COMMISSION REPORTS

Commissioner Lythgoe reported that on Wednesday the Commission met with Great West Engineering to discuss the proposed wastewater districts in Montana City and Clancy. It was determined that the Montana City system is cost prohibitive. We will be continuing with the Clancy proposal, and a public meeting is being scheduled.

Commissioner Lythgoe reported that the JLDC Ad Hoc committee met on Thursday to discuss strategies to finance the JLDC. They will be meeting again on the 21st.

Commissioner Wortman reported that the TIFID committee met in Whitehall to tour the site of the Sunlight Business Park and then went to look at the area in the north end of the county. Cretex is starting work for their facility there.

Commissioner Kirsch reported that he attended the Area IV Agency on Aging meeting in Three Forks on Thursday. They discussed funding for various projects throughout the area over the course of the seven-hour meeting.

SUBDIVISION REVIEW

DISCUSS AND DECIDE ON REVOCATION OF VALLEY VIEW MINOR SUBDIVISION IMPROVEMENT AGREEMENT BOND

Commissioner Lythgoe stated that the subdivision item on the agenda was dealt with at the previous meeting. Because of the advertising schedule, this item was put on this agenda in the event the Commission had to make a decision regarding the subdivision improvement bond at this meeting.

ITEMS FOR COMMISSIONERS ACTION OR REVIEW

DISCUSSION OF METAL MINES MONIES

Commissioner Lythgoe stated that one reason that he has brought this forward at this time is that he has a concern with the demand that we have placed on the metal mines monies. A goal that he has as a Commissioner is that the economic development program continues. This includes the JLDC, Tom, Tara and their support staff. When he first became a Commissioner, Golden Sunlight had gone below the 50% employment level which triggers the release of metal mines monies. At that time, he believes that it was about \$1.1 million that was released and approximately \$400,000 was used to pay down county debt that was on the books at that time. He explained that if there is debt in place before the trigger is hit, one of the eligible expenses is to pay down county debt. That was done at that time. The remaining \$800,000 was dedicated to the south end of the county. The people on the south end of the county were pretty upset that any of the money was used to pay down debt.

The metal mines money has been used to fund grant and loan programs and other activities that

economic development people have put into the pipeline. At that time they committed that those monies would be used strictly in the south end of the county. When Tunnels shut down the first time, there was approx \$1.7 million that was released for schools and the county. The Commission at that time made the decision that those monies could be used county wide, not just for the north end. They also developed a grant and loan program on the north end. Of the Tunnels monies, there is \$483,358 left.

Commissioner Lythgoe stated that Tunnels reopened and then they closed again. Since they closed again the county has not chosen to release the funds which total \$569,784. Of this amount, \$188,028 will go to the schools, and \$381,755 will come to the county.

Commissioner Lythgoe said that the county took out a loan to purchase the building in which the Commission office is located, and have also used the loan to finance improvements to the campus such as upgrades, new carpet, sidewalks and possibly new boilers in the courthouse.

Commissioner Lythgoe stated that his main concern is that JLDC continue. Economic development is one of those things that take a long time to come to fruition and we are finally seeing some significant, larger operations happening. Commissioner Lythgoe stated that it takes approximately \$100,000/year to fund the JLDC. When the JLDC was formed, it was always the goal for them to become self-sufficient, but this takes some time. There are some things in the wind that could help them become at least partially self-sufficient. However, we only have funding to last for six more years, and this is the reason that they are discussing this today.

Commissioner Lythgoe opened the meeting for discussion.

Bob Marks stated that he has had a long interest in economic development, being involved in the development of the JLDC. He is a bit overwhelmed with all of the numbers that have been discussed. Bonnie presented him with a printout that Commissioner Lythgoe was working off of. He noted that metal mines money was used for the purchase of road equipment and the county said it would be paid back. He asked when this will this happen. Bonnie said that \$90,000 was used to fund the operations of the general fund and this has been paid back. No metal mines money has been used to purchase road equipment.

Bob stated that he is really in favor of trying to not disturb the balance for anything other than economic development purposes. As Commissioner Lythgoe has said, it takes some time for economic development projects to come to fruition.

Bud Siderits said that he respects the Commission's discussion on these funds. From his limited experience, the value of these funds is more than just to the JLDC. They are also for supporting a community, which some of these funds has been used for. Bud noted that the economic development of this county depends on its people. The more they can get people together and make feel a part of a community the better things will be. They have done this with the awarding of some metal mines grants. They can be very specific of what economic development means, but it does include people.

Tom Harrington, JLDC, said that he has been dealing with economic development and the metal mines grants for some time now. He said that the county has put \$1 million in, and gotten \$8 million back. It does take time. If they look at the metal mines account and the reasons why the account has been created, it was for economic development to help communities mitigate the mines leaving. The grant program is a grassroots issue; communities are getting involved. The grant projects must provide economic development and the upgrades to the rodeo grounds, the skate park, the soccer fields, etc. do have economic benefit and draws people into the communities. People do want to keep the program alive, even if at a greatly reduced level. Tom said that the loan program is here to stay for a while as they have almost \$1million in loans out there. Tom said that they are getting closer all of the time to the goal of being self-sufficient.

Commissioner Lythgoe said that in regards to the grant program, when granting lower amounts the impact on the community as far as building rapport still there, but employment piece, is much less likely to be there. He agreed that the grants have enhanced the community significantly. He cautioned that in looking at lower grant award amounts, they will need to make sure that they are actually meeting the goals of what the money is to be used for.

As far as the intercap loan, his recommendation is that we use the metal mines monies to pay off the intercap loan. He asked Bonnie if she has a recommendation on this. Bonnie stated that two of the criteria of using this money are to reduce mill levies or reduce county debt. The county will be making interest payments or can pay off the loan. In her opinion, it makes a lot more sense to pay off the loan than to make interest payments for the next ten years. If the county expends the full amount of the loan, the principal and interest payments for FY 2011 will be significantly higher. The Commission also needs to remember that as we are not going to receive net and gross proceeds from the mines, the mill levy will be significantly lower next fiscal year.

Bonnie said that one of the other things that we could look at doing in talking about the loan program. As loans are repaid money could be set aside in separate cash account to fund future loans. The other thing that they need to take a look at is setting aside some tax dollars from new businesses for economic development purposes.

DISCUSS AND DECIDE ON CONTINUATION OF THE METAL MINES GRANT AND LOAN PROGRAMS

Commissioner Lythgoe moved that they continue the loan program. Commissioner Wortman seconded. Commissioner Kirsch asked how much is in the revolving loan fund. Tom stated that money from rental of buildings on south campus goes into their operating funds and the revolving loan fund. The motion carried.

Commissioner Lythgoe moved that they continue the grant program, for discussion purposes. Commissioner Wortman seconded. Commissioner Wortman stated that he thinks that the grant program is very unique and gives organizations the opportunity to develop programs. It builds community and has an impact on economic development. He understands that we don't have a

great deal of money, but he would like to see the grant program maintained at some level. The current cycle, south end has \$15,000 available for grants. Commissioner Lythgoe stated that it has been pared down on the south end, but he is not sure about the north end. He would suggest that the amounts that are designated for grants be pared down.

Bob said that it is up to the Commission to decide what to do on there. If they feel that a stricter criterion is to be used, a message can go out to the boards and they would probably get more conservative recommendations from the grant committee. He said that it is hard to give equal pieces to all when there is a smaller amount of money; they might not be able to get anything done. He feels that it would be better to give larger amounts to the top few projects, so that they can get projects completed. Commissioner Lythgoe stated that he feels that the criterion needs to be tightened up a bit. The grant committees also need to be aware that the Commission might say no to their recommendations. Commissioner Wortman said that Bob had an excellent point; sometimes it is better to choose the top one or two projects rather than trying to fund all of them. Commissioner Lythgoe said that he agrees; if 10 applications come in they don't have to give all of them something. They need to provide the committees with a little more direction on what the Commission wants to see happen.

Barb Sunderland stated that she is on the south end metal mines committee, said that she is sorry for the beating that the Commission received in the past. It was a huge learning curve when they first started.

Bud said that the fire department received a grant last year and while he recognizes that final decision is up to the Commission, if the committee looks at their application and decides that they are only going to get a lesser amount, that is fine. They have had people come forward with donations and to volunteer to work. Realizing that the county is behind the project is a great boost. They would accept the decision to decrease the funding.

The motion carried.

Commissioner Lythgoe stated that it will be up to Commissioner Kirsch and Commissioner Wortman to get with their committees and set the amount for the coming year. He noted that the amount has already been set for the current cycle. Tom Harrington stated that usually they come in and ask that the amount be established for the coming year. Commissioner Kirsch stated that it is his recollection that last year his committee made a caveat that if a project was given a grant one year, they would not be eligible for a grant the following year. Tom said that he doesn't recall this, and wouldn't recommend that this be implemented. There have been many projects that have been completed in phases.

DISCUSS AND DECIDE ON ANY OTHER IMPROVEMENTS THAT ARE NEEDED ON CAMPUS

Commissioner Lythgoe stated that throughout the process they have discussed all of the items that have been taken care of. The proposed new boiler system for the courthouse is probably an item that will need to be decided on. The facilities manager is currently seeking bids to replace the boiler system. Commissioner Lythgoe moved that if we can get the boiler system within the

budget for the intercap loan, that we do it. Commissioner Wortman seconded. The motion carried.

DISCUSS AND DECIDE ON USE OF METAL MINES MONIES TO PAY OFF INTERCAP LOAN

Commissioner Lythgoe moved that they use the money received from Tunnels shutting down the second time to pay off the Intercap loan. Commissioner Wortman seconded. The motion carried.

DISCUSS AND DECIDE ON GRANTING PETITION FOR ROAD NAME – FRINK ROAD

Commissioner Lythgoe stated that the Commission has received a petition for a road name. This was formerly a driveway, but the addition of several homes has necessitated that it be named. The petition is requesting that the road be named Frink Road. The Clerk and Recorder has certified the signatures.

Melissa Morris, GIS Mapping Tech, stated that this is currently a driveway with five homes on it that are addressed off of Highway 2. Her recommendation would be to approve this.

Commissioner Wortman moved to approve the road name. Commissioner Lythgoe seconded. The motion carried.

Commissioner Wortman moved to adjourn. Commissioner Lythgoe seconded. The motion carried.

MEETING ADJOURNED

ATTEST:

**BONNIE RAMEY
CLERK AND RECORDER**

TOMAS E. LYTHGOE, CHAIR

DAVE KIRSCH, COMMISSIONER

LEONARD WORTMAN, COMMISSIONER